

Commonwealth of Massachusetts
Department of Telecommunications and Energy
Fitchburg Gas and Electric Light Company
Docket No. D.T.E. 02-24/25
Record Request Response

Record Request No.: DTE-RR-13

Please clarify the accounting for the vehicle clearing account.

Response:

The non-construction vehicles are allocated based on the average usage of the vehicle. For example, if a vehicle is used primarily by the meter reading department, the vehicle is charged to the Meter Reading Expense Account. These types of vehicles are cleared based on actual miles driven each month, and a rate is calculated annually based on anticipated charges for the year. To illustrate, if a meter reading vehicle's actual miles for a month is 859 miles, this mileage is multiplied by the clearing rate of \$.72 per mile. Thus the amount charged to the Meter Reading Account would be \$618.48 (859 miles x \$.72).

For non-construction vehicles that are used by FG&E project leaders, managers and director, the usage is based on their payroll allocation. For example, the Project Leader, Gas Operations, allocates his time 75% to Gas Construction Overheads, 15% to Gas Operations General Supervision Expense, and 10% to Gas Maintenance General Supervision Expense. The actual miles for a month are 399 miles, which is multiplied by the clearing rate of \$.72 per mile. Thus the amounts charged to each account are \$215.46 (75% x 399 miles x \$.72) to Gas Construction Overheads, \$43.09 (15% x 399 miles x \$.72) to Gas Operations General Supervision Expense and \$28.73 (10% x 399 miles x \$.72) to Gas Maintenance General Supervision Expense. The calculations are adjusted for rounding.

Person Responsible: Mark H. Collin